

MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
COMMUNITY IMPROVEMENT COMMISSION (CIC), AND HOUSING
AUTHORITY BOARD OF COMMISSIONERS (HABOC) MEETING
TUESDAY- -JANUARY 18, 2011- -6:59 P.M.

Acting Mayor/Chair Bonta convened the meeting at 7:02 p.m. Councilmember / Commissioner deHaan led the Pledge of Allegiance.

ROLL CALL – Present: Commissioner Allen and Councilmembers / Commissioners deHaan, Johnson, Tam and Acting Mayor/Chair Bonta – 5.

Absent: Mayor/Chair Gilmore – 1.

MINUTES

(HABOC/11-001 CIC) Minutes of the Special Board of Commissioners Meeting held October 19, 2010. Acceptance is recommended. Minutes of the Special Joint City Council and CIC Meeting Held on December 21, 2010. Approved.

Commissioner deHaan moved approval of the minutes.

Commissioner Johnson seconded the motion, which carried by the following voice vote: December 21, 2010 Minutes: Ayes: Commissioners deHaan, Johnson and Tam – 3. Abstention: Acting Chair Bonta – 1. Absent: Chair Gilmore – 1. The minutes of the October 19 Minutes were not adopted due to lack of affirmative votes: Ayes: Commissioners deHaan and Johnson – 2. Abstentions: Commissioners Allen, Tam and Acting Chair Bonta - 3. Absent: Chair Gilmore – 1.

AGENDA ITEM

(11-024 CC) Public Hearing to Consider: 1) Recommendation to Find the Project Located at 2216 Lincoln Avenue to be Exempt from the California Environmental Quality Act (CEQA) Pursuant to California Public Resources Code Section 21159.21, 21159.23, and 22159.24, as well as CEQA Guidelines Section 15332;

(11-024A CC) Recommendation to Approve the Summary Report Pursuant to Section 33433 of the California Community Redevelopment Law for an Owner Participation Agreement (OPA) between the CIC, Housing Authority, Satellite Housing and Housing Consortium of the East Bay (HCEB) and a Lease Option Agreement between the Housing Authority, Satellite Housing and HCEB;

(11-002 CIC) Recommendation to Approve the Summary Report Pursuant to Section 33433 of the California Community Redevelopment Law for an OPA between the CIC, Housing Authority, Satellite Housing and HCEB and a Lease Option Agreement between the Housing Authority, Satellite Housing and HCEB;

(11-002A CIC) Recommendation to Authorize Conveyance by Quitclaim Deed of the Property Located at 2216 Lincoln Avenue for Construction of 19 Units of Affordable Rental Housing to the Housing Authority;

(HABOC) Recommendation to Accept the Property Located at 2216 Lincoln Avenue via a Quitclaim Deed from the CIC;

(HABOC) Recommendation to Approve a Lease Option Agreement and Authorize the Acting Chief Executive Officer to Execute a 75-Year Ground Lease Based on the Lease Option with Satellite Housing and HCEB and an OPA and Other Related Documents between the Housing Authority, CIC, Satellite Housing and HCEB;

(11-002B CIC) Recommendation to Approve and OPA and Authorize the Acting Executive Director to Execute an OPA and Other Related Documents with Satellite Housing, HCEB and the Housing Authority; and

(11-002C CIC) Recommendation to Approve an Appropriation of \$1.4 Million from the Business and Waterfront Improvement Project (BWIP) Affordable Housing Fund Balance to Housing Project Development Funds;

(11-024B CC) Resolution No. 14540, "Approving (1) the Disposition of Certain Property Owned by the CIC of the City of Alameda at Not Less Than Its Fair Reuse Value in Connection with Development of an Affordable Rental Housing Project on the Site, and (2) Making Certain Findings with Respect to the Disposition of Such Property." Adopted;

(11-002D CIC) Resolution No. 11-173, "Approving (1) an OPA for Development of Affordable Rental Housing, and (2) the Disposition of Certain Property Owned by the CIC at Not Less Than its Fair Reuse Value in Connection With Development of an Affordable Rental Housing Project on the Site, (3) Making Certain Findings With Respect to the Disposition of Such Property, and (4) Authorizing the Executive Director to Execute the OPA and a Quitclaim Deed to Convey Such Property to the Housing Authority." Adopted;

(HABOC) Resolution No. 825, "Authorizing the Acting Chief Executive Officer to Execute (1) An OPA Among the Housing Authority, CIC, Satellite Housing and HCEB, (2) A Lease Option Agreement Among the Housing Authority, Satellite Housing and HCEB, and (3) to Accept a Quitclaim Deed From the CIC for the Project Site." Adopted; and

(11-002E CIC) Resolution No. 11-174, "Approving the Use of Housing Funds to Pay a Portion of the Costs of Development of a 19-Unit Affordable Rental Project within the City of Alameda on Certain Property Commonly Known as 2216 Lincoln Avenue." Adopted.

The Housing Department Executive Director; Dori Kojima, Satellite Housing Executive Director; and Darin Lounds, HCEB Executive Director, gave a Power Point presentation.

Councilmember/Commissioner Johnson inquired whether an Satellite Housing would be allowed to assign rights and obligations without prior written consent of the City.

The Housing Development and Programs Manager responded assigned rights and obligations could only be given to a new, single entity associated with Satellite Housing and HCEB.

Councilmember/Commissioner Johnson stated Satellite Housing and HCEB would have the ability to assign the Lease Option Agreement (LOA) before [the City gives] prior written consent.

The Development Services Division Manager stated language could be added to the LOA.

The Housing Department Executive Director stated said language would be added to the LOA.

Councilmember/Commissioner Tam inquired how varying loan terms would be factored in when determining rental rates; further inquired whether the Housing and Urban Development Department (HUD) would control rates.

Ms. Kojima responded the HUD Section 811 program provides federal dollars calculated per unit; stated a long-term HUD operating subsidy would ensure that enough funds would include enough funds to ensure proper maintenance and management; tenants would pay 30% of adjusted monthly income; HUD 811 would not require repayment of the loan as long as affordability is maintained; rental rates would not be affected by financing.

Councilmember/Commissioner Tam inquired whether 30% of adjusted gross income would cover various loans given varying terms and interest rates.

Ms. Kojima responded most sources are soft debt; stated loans would not require repayment during the operation of the development unless the project has excess cash; HUD would provide operational subsidy up to the amount of the operating budget; a development does not usually have excess cash because HUD controls the operating amount.

Councilmember/Commissioner Johnson inquired whether [LOA] renewal would be automatic.

The Housing Development and Programs Manager responded a six-month extension would apply if the lease is not executed.

In response to Councilmember/Commissioner's Johnson request to review the LOA

language stating that the original term would be automatically renewed unless the optionee gives 30 days notice prior to the end of the renewal period, the Acting City Attorney/Legal Counsel stated language would be corrected to reflect there is only one renewal.

Proponents: Laura Thomas, Renewed Hope Housing Advocates; Kathryn Neale Manalo, Alameda; Gary Struthers, Alameda; Mary and Marissa Erikson, Alameda; Art Kurrash, Housing Commission; Kelly Harp, Community Resources for Independent Living; Audrey Lord-Hausman, Alameda; and Mara Bearse, Regional Center of the East Bay.

Councilmember/Commissioner deHaan stated the process has been very fast.

The Housing Department Executive Director stated tours were conducted in 2009; the transfer started in June 2010; in July 2010, the City Council approved the sale of the property, and the CIC approved the purchase; the CIC purchased the property in September 2010.

Councilmember/Commissioner deHaan commended everyone for efforts made; stated the process has been quite impressive.

Councilmember/Commissioner Tam expressed her appreciation for bundling everything so quickly; stated the current \$1.4 million in redevelopment funds may not be available next year; the location is ideal for a project that is sorely needed.

Councilmember/Commissioner Tam moved approval of the staff recommendation with amendments to the LOA outlined by Councilmember/Commissioner Johnson [regarding assigning rights and renewal].

Councilmember/Commissioner deHaan seconded the motion.

Councilmember/Commissioner Johnson thanked everyone for their work on the project; stated purchasing the parking lot was not an easy task; that she hopes building would start soon.

Acting Mayor/Chair Bonta stated the proposed project is important from an affordable housing and community standpoint.

On the call for the question, the motion carried by unanimous voice vote – 5. [Absent: Mayor/Chair Gilmore – 1.]

ADJOURNMENT

There being no further business, Acting Mayor/Chair Bonta adjourned the meeting at

7:42 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.